



STATE OF ARKANSAS

Amended Individual Income Tax Return and Instructions

GENERAL INSTRUCTIONS

If you need to adjust your Arkansas Income Tax Return, complete either the enclosed AR1000A or the AR1000ANR Amended Form.

This package contains:

1. Instructions to complete form AR1000A and AR1000ANR.
2. Form AR1000A, Full Year Resident form.
3. Form AR1000ANR, Nonresident and Part-Year Resident form.
4. Tax Tables.

An Amended Tax Return for refund of an overpayment of Arkansas State Income Tax must be filed within three (3) years from the time the original return was filed or two (2) years from the time the tax was paid, whichever period expires the later. When filing an Amended Return for the current year, please allow time for the original AR1000 or AR1000NR return to process. If you are due a refund on the original return, please wait until you receive your refund check before you file the Amended Return. Please cash the original refund check upon receipt.

If you are notified by the Income Tax Section that there is an error on your original return, **do not file an Amended Return until you receive your refund or Notice of Proposed Billing and/or Tax Adjustment Letter.**

If your Federal Return is adjusted by the IRS for any reason, it may change your Arkansas income tax liability. You must file an Amended Return to reflect these adjustments within thirty (30) days in accordance with Arkansas tax law.

NOTE: *If amending to change your filing status from single (status 1), unmarried head of household (status 3), or married filing separately on different returns (status 5), you cannot add a spouse using status 2 or 4 unless the spouse has already filed an AR1000/AR1000NR return.*

HOW TO COMPLETE FORMS AR1000A/AR1000ANR

The following instructions will apply to both forms unless indicated.

STAPLE ALL REQUIRED W-2(s), SCHEDULES AND EXPLANATIONS TO THE RETURN.

NAME AND ADDRESS

Complete all information regarding name, address, city, state, zip code, social security numbers, tax year you are amending and telephone numbers.

FILING STATUS AND RESIDENCY (Line 1 through Line 6)

Please check the appropriate filing status (single, married filing joint, etc.) that applies to you. Be sure to include any residency or Federal information requested on the Amended Form.

PERSONAL CREDITS (Line 7A through Line 7D)

Line 7A. Check the box or boxes that apply to you and/or your spouse. You cannot claim any of these credits for your children or dependents. Multiply the number of boxes checked by \$20.00 and enter the result in the box at the right.

Line 7B. Multiply the number of dependents listed by \$20.00 and enter the result in the box at the right.

Line 7C. Multiply the number of retarded children listed by \$500.00 and enter the result in the box at the right. If you are claiming the "Retarded Child Credit" for the first time, you must attach the form AR1000RC5 to the Amended Return.

Line 7D. Add the amounts listed in Lines 7A, 7B, and 7C and enter the result in the box at the right.

Check if your return was adjusted by the IRS or not. If it was, ATTACH A COPY OF THE FEDERAL REPORT.

NET TAXABLE INCOME (Line 8 through Line 12)

Part 1. Report the information you originally filed on your AR1000 or AR1000NR Arkansas Tax Return, or as previously adjusted. Please enter these amounts on the appropriate lines.

Part 2. Report the information that is being adjusted. Enter the amounts as you are amending them and if you change the "Itemized Deduction Schedule" please be sure you attach an amended copy.

NOTE: *If you are filing the AR1000A (Full Year Resident), you must list the total income from all sources in column(s) A and/or B.*

If you are filing the AR1000ANR (Nonresident and Part Year Resident) you must list the total income from all sources in column(s) A and/or B. List only the Arkansas income in column C. DO NOT USE THE SHADED AREAS IN COLUMN C.

NOTE: *Line 9. Adjustments to Income. Recent changes in the Arkansas law changed Moving Expenses from an Itemized deduction to an adjustment to income for tax year 1995 and subsequent years.*

Support for Permanently Disabled Child is an adjustment to income and not a personal tax credit. (Retarded Child Credit is a personal tax credit.)

TAX COMPUTATION (Lines 13 through 17)

GENERAL INFORMATION

For both forms AR1000A and AR1000ANR, use the net taxable income from column(s) A and/or B. The amounts in these columns reflect the total income from all sources. Nonresidents filing the AR1000ANR - DO NOT USE COLUMN C TO COMPUTE THE TAX FROM THE TAX TABLES. Your tax liability will be prorated in the tax apportionment section on page 2 of AR1000ANR.

CAPITAL GAIN - If you have a capital gain reported on Federal Schedule D on both the "Net long-term capital gain" line and the line combining the "Net short-term capital gain" line and the "Net long-term capital gain" line in Part III of the Federal Schedule D, use the Arkansas Capital Gains Tax Computation Worksheet or AR1000DGW to calculate your tax. This allows for the 6% tax rate limitation on capital gains and figures the tax on the

rest of the income accordingly. If you fall in this category, figure the worksheet and enter the result on Line 13.

NO CAPITAL GAIN - Use the net taxable income on Line 12 to find your income range and enter the appropriate tax on Line 13 based on the tax table provided.

Line 14. Enter the total of Lines 13A and 13B on Line 14.

Lines 15 and 16. Enter the amount of tax from the averaging schedule (AR1000TD) on Line 15 and IRA withdrawal and/or overpayment penalties on Line 16. Be sure to attach any applicable schedules.

Line 17. Enter the total of Lines 13 through 16.

TOTAL CREDITS (Line 18 through Line 24)

NOTE: *The credit for taxes paid to another state is not available to non-residents but may be partially available to part-year residents. The only way that a part-year resident can claim this credit is when the income reported while a resident of Arkansas in column C of Form AR1000NR is also being taxed in another state. You can only receive credit for the amount of tax paid to another state based upon the amount of income that is being double taxed while you are a resident of Arkansas.*

Add Lines 18 through 24 and enter the amount of credits on Line 25.

TAX LIABILITY (LINES 26 AND 27)

AR1000A - (FULL YEAR RESIDENTS ONLY), Subtract Line 25 from Line 17 and enter this amount on Lines 26 and 27.

AR1000ANR - (NONRESIDENTS AND PART YEAR RESIDENTS ONLY). Subtract Line 25 from Line 17 and enter this amount on Lines 26 and 27. This is your net tax before apportionment. Go to tax apportionment.

TAX APPORTIONMENT (FOR USE WITH AR1000ANR ONLY). If you are using AR1000ANR, enter the adjusted income from Line 10, part 2 and enter the total on Line 27A. Divide the amount on Line 27A by the amount on Line 27B and round this percentage to the nearest fractional percent and enter on Line 27C. This percentage represents the ratio between your Arkansas income and your total income (your Arkansas percentage of income). Multiply the tax liability on Line 27 by the percentage on Line 27C and enter result on Line 27D. This amount is your Arkansas apportioned tax liability.

PAYMENTS (LINE 28 THROUGH 34)

Enter all payments on Line 28 through 32 and enter the total of these payments on Line 33. If you have been issued a corrected W-2, be sure to attach the state copy. On Line 34, enter the amount of any previous overpayment/refund/estimate carried forward from your original tax return and/or any previous amended tax return. The amount of overpayment/refund is the gross amount of your refund and may not necessarily be the amount of your refund check. Check the overpayment/refund line on your original tax return. Line 30 (Early Childhood Program) is for tax years 1992 and after. Subtract Line 34 from 33. This is the amount which will be applied to your Arkansas tax liability.

REFUND OR AMOUNT DUE

If Line 35 is greater than Line 27 of the AR1000A or Line 27D of the AR1000ANR, you have overpaid your tax. Enter the difference on Line 36. This is your refund.

If Line 27 of the AR1000A or Line 27D of the AR1000ANR is greater than Line 35, you owe additional tax. Enter the difference on Line 37. This is the amount you owe. You cannot use your estimate carry forward from your AR1000/AR1000NR to pay amount due on an Amended Return.

You must provide a complete explanation of your reasons for filing the Arkansas Amended Return. Be sure to attach all necessary documentation and additional schedules. If you have been audited by the Internal Revenue Service, be sure to attach a complete copy of the Federal Audit. Failure to attach the proper documentation could delay the processing of your amended return.

Please mail your Amended Tax Return to:

Arkansas State Income Tax
Amended Tax Section
P. O. Box 3628
Little Rock, Arkansas 72203-3628

If you owe tax, please mail your check payable to:

Department of Finance and Administration

Be sure to write your Social Security Number on your check.

If you have any questions concerning the Arkansas Amended Tax Form, please contact the Arkansas Income Tax Section at either (501) 682-1100 or toll free at 1-800-882-9275 and access the Amended segment of the recording.

